

# North Dakota REV-E-NEWS



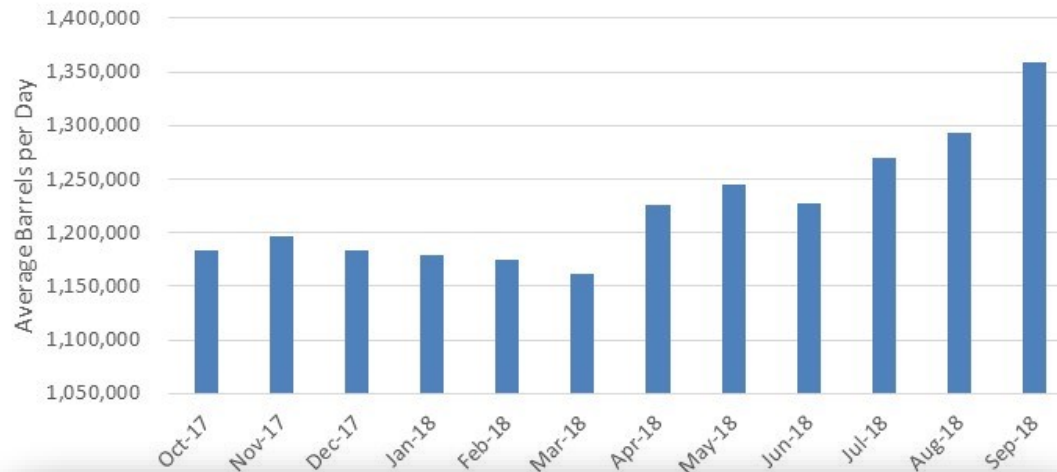
**Joe Morrisette, Director**

**November 2018**

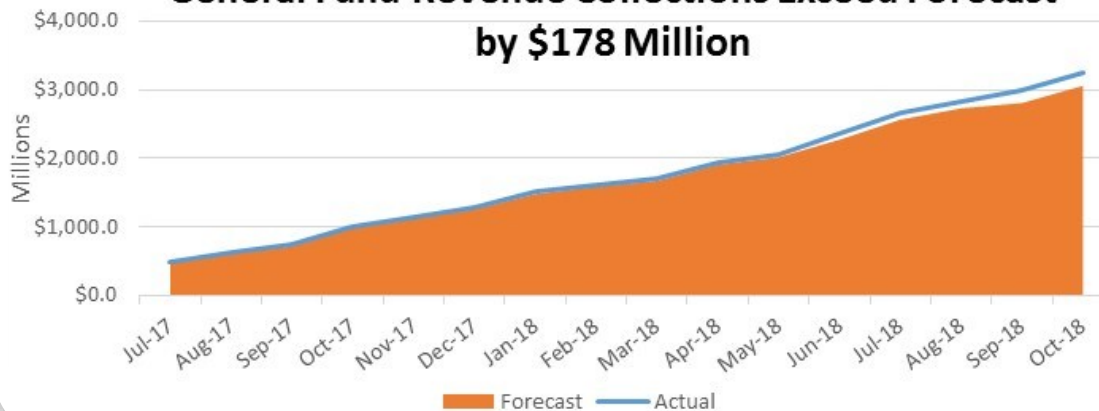
**OFFICE OF MANAGEMENT AND BUDGET**

**600 EAST BOULEVARD AVE — DEPT. 110 BISMARCK, ND 58505-0400**

## Oil Production Tops 1.3 Million Barrels per Day



## General Fund Revenue Collections Exceed Forecast by \$178 Million



## OIL ACTIVITY Statistical Information



	Sept 2018	Aug 2018	July 2018
Actual average price per barrel	\$64.68	\$63.46	\$67.76
Production (barrels/day)	1,359,256	1,292,505	1,269,290
Drilling permits	113	152	163
Producing wells	15,287	15,124	14,980
Rig count	65	61	66

## Tax Allocations (in Millions)

	Biennium to Date October 31, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	322.6	421.0	98.4
Tribes	145.3	267.0	121.7
Legacy Fnd	537.7	744.3	206.6
General Fnd	272.0	400.0	128.0
Education Fnds	162.6	210.0	47.4
Resourc Trst Fnd	159.4	206.8	47.4
Budget Stabil Fnd	75.0	75.0	0.0
Tax Relief Fnd	200.0	200.0	0.0
Strat Invst Fnd	0.0	158.5	158.5
Other Allocations	63.1	65.2	2.1
<b>Total</b>	<b>1,937.7</b>	<b>2,747.8</b>	<b>810.1</b>

## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2017-19 Biennium October 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	May 2017 Leg. Forecast	Actual	Variance	Percent	May 2017 Leg. Forecast	Actual	Variance	Percent
Sales Tax	107,968,000	104,403,380	(3,564,620)	-3.3%	1,147,575,000	1,187,931,200	40,356,200	3.5%
Motor Vehicle Excise Tax	10,460,000	11,852,166	1,392,166	13.3%	148,442,000	159,019,913	10,577,913	7.1%
Individual Income Tax	46,632,000	53,640,364	7,008,364	15.0%	459,381,000	507,113,203	47,732,203	10.4%
Corporate Income Tax	2,975,000	5,407,163	2,432,163	81.8%	57,567,000	133,420,000	75,853,000	131.8%
Insurance Premium Tax	335,146	217,125	(118,021)	-35.2%	68,764,238	61,301,342	(7,462,896)	-10.9%
Oil & Gas Production Tax*					212,147,129	212,147,128		
Oil Extraction Tax*					187,852,871	187,852,872		
Gaming Tax	432,560	229,587	(202,973)	-46.9%	4,959,276	4,135,121	(824,155)	-16.6%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,234,000	2,131,759	(102,241)	-4.6%	36,317,000	35,974,776	(342,224)	-0.9%
Wholesale Liquor Tax	797,939	652,182	(145,757)	-18.3%	11,998,645	11,916,405	(82,240)	-0.7%
Coal Conversion Tax	1,668,000	1,976,845	308,845	18.5%	24,902,000	27,691,627	2,789,627	11.2%
Mineral Leasing Fees	1,981,896	3,388,023	1,406,127	70.9%	20,963,940	25,416,660	4,452,720	21.2%
Departmental Collections	6,417,488	2,119,561	(4,297,927)	-67.0%	52,411,815	54,945,263	2,533,448	4.8%
Interest Income	182,000	421,608	239,608	131.7%	4,774,000	5,363,650	589,650	12.4%
State Mill & Elevator-Transfer					8,802,989	10,109,147	1,306,158	14.8%
Bank of North Dakota - Transfer	70,000,000	70,000,000			140,000,000	140,000,000		
Legacy Fund - Transfer								
Tax Relief Fund - Transfer					183,000,000	183,000,000		
SIIF - Transfer					248,000,000	248,000,000		
Gas Tax administration	252,015	252,015			1,512,090	1,512,090		
Miscellaneous		4	4	100.0%	32,350,000	32,701,387	351,387	1.1%
<b>Total Revenues and Transfers</b>	<b>252,336,044</b>	<b>256,691,781</b>	<b>4,355,737</b>	<b>1.7%</b>	<b>3,059,220,993</b>	<b>3,236,851,785</b>	<b>177,630,792</b>	<b>5.8%</b>

\* The General Fund cap for oil and gas taxes contains two tiers. The first tier of \$200.0 million was reached in January 2018. Additional oil taxes were allocated to the Tax Relief Fund until that fund received \$200.0 million, and then to the Budget Stabilization Fund until that fund reached its cap of \$75.0 million. The second tier of \$200.0 million was met in August 2018 so no additional allocations will be made to the general fund during the 2017-19 biennium.

## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Previous Biennium Revenues 2017-19 Biennium October 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	October 2016	October 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	75,873,595	104,403,380	28,529,785	37.6%	1,227,813,698	1,187,931,200	(39,882,498)	-3.2%
Motor Vehicle Excise Tax	9,568,502	11,852,166	2,283,663	23.9%	146,000,290	159,019,913	13,019,623	8.9%
Individual Income Tax	43,361,088	53,640,364	10,279,275	23.7%	459,681,066	507,113,203	47,432,137	10.3%
Corporate Income Tax	3,708,512	5,407,163	1,698,652	45.8%	104,878,580	133,420,000	28,541,420	27.2%
Insurance Premium Tax	281,007	217,125	(63,882)	-22.7%	61,411,427	61,301,342	(110,085)	-0.2%
Financial Institutions Tax					1,294,077		(1,294,077)	-100.0%
Oil & Gas Production Tax*					83,379,177	212,147,128	128,767,951	154.4%
Oil Extraction Tax*					116,620,823	187,852,872	71,232,049	61.1%
Gaming Tax	387,560	229,587	(157,973)	-40.8%	4,565,275	4,135,121	(430,153)	-9.4%
Lottery					9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,437,465	2,131,759	(305,706)	-12.5%	39,183,199	35,974,776	(3,208,423)	-8.2%
Wholesale Liquor Tax	704,879	652,182	(52,698)	-7.5%	12,157,026	11,916,405	(240,620)	-2.0%
Coal Conversion Tax	1,901,538	1,976,845	75,307	4.0%	27,534,188	27,691,627	157,439	0.6%
Mineral Leasing Fees	1,829,896	3,388,023	1,558,127	85.1%	19,059,196	25,416,660	6,357,464	33.4%
Departmental Collections	2,983,160	2,119,561	(863,599)	-28.9%	53,719,063	54,945,263	1,226,201	2.3%
Interest Income	179,973	421,608	241,636	134.3%	13,135,024	5,363,650	(7,771,373)	-59.2%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers	375,000,000	70,000,000	(305,000,000)	-81.3%	1,032,000,000	571,000,000	(461,000,000)	-44.7%
Other Transfers	255,590	252,019	(3,571)	-1.4%	1,602,083	34,213,477	32,611,394	2035.6%
<b>Total Revenues and Transfers</b>	<b>518,472,764</b>	<b>256,691,781</b>	<b>(261,780,983)</b>	<b>-50.5%</b>	<b>3,418,049,085</b>	<b>3,236,851,785</b>	<b>(181,197,300)</b>	<b>-5.3%</b>



## VARIANCES

### (Compared to 2017 Legislative Forecast)

October 2018 revenues totaled \$256.7 million, which is \$4.4 million, or 1.7 percent above forecast. Biennium-to-date revenues of \$3.24 billion are \$177.6 million, or 5.8 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 11.7 percent ahead of the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$104.4 million were \$3.6 million, or 3.3 percent, lower than anticipated for the month. Biennium-to-date revenues of \$1.19 billion are \$40.4 million, or 3.5 percent, higher than forecast. In a year over year comparison, October sales tax revenues are \$20.3 million, or 24.1 percent, higher than October 2017 sales tax revenues and \$28.5, or 37.6 percent, higher than October 2016.
- **Individual income tax** collections of \$53.6 million were \$7.0 million, or 15.0 percent higher than forecast, due to higher than anticipated

withholding and estimated payments. Biennium-to-date collections of \$507.1 million are \$47.7 million, or 10.4 percent higher than forecast and \$47.4 million, or 10.3 percent, higher than the same time period in the 2015-17 biennium.

- **Oil and gas taxes** reached \$200.0 million in January – the first tier of the biennial cap. The state share was deposited in the tax relief fund until that fund reached its cap of \$200.0 million and then deposits were made to the budget stabilization fund until that fund reached its cap of \$75.0 million. The second tier of \$200 million was met in August so no additional allocations will be made to the general fund during the 2017-19 biennium.

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